



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, AUGUST 6, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2008
TDD (202) 514-1888

AMERICAN EXPRESS BANK INTERNATIONAL ENTERS INTO DEFERRED PROSECUTION AGREEMENT AND FORFEITS \$55 MILLION TO RESOLVE BANK SECRECY ACT VIOLATIONS

WASHINGTON – Miami-based American Express Bank International has entered into a deferred prosecution agreement on charges of failing to maintain an effective anti-money laundering program and will forfeit \$55 million to the U.S. government, Assistant Attorney General Alice S. Fisher of the Criminal Division and U.S. Drug Enforcement Administration Administrator Karen Tandy announced today.

A criminal information filed today at the U.S. District Court for the Southern District of Florida in Miami charges American Express Bank International with one count of failing to maintain an effective anti-money laundering program. American Express Bank International waived indictment, agreed to the filing of the information, and accepted and acknowledged responsibility for its behavior in a factual statement accompanying the information. The company will pay \$55 million to the United States to settle forfeiture claims held by the government. In light of the bank's remedial actions to date and its willingness to acknowledge responsibility for its actions, the government will recommend the dismissal of the charge in 12 months, provided the bank fully implements significant anti-money laundering measures required by the agreement.

"Banks and other financial institutions must uphold their responsibility to safeguard financial markets from the illegal activities of international drug cartels and professional money launderers," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "An effective anti-money laundering program is critical to law enforcement efforts to detect and cut off the flow of drug money. The Department of Justice will continue to work to stop financial institutions from knowingly disregarding their obligations to have these vital programs in place."

"Today an established and respected financial institution learned a valuable lesson about its legal responsibilities. American Express and all legitimate banking organizations must take every step possible to avoid becoming entangled in the web of international drug money laundering," said DEA Administrator Karen P. Tandy. "Today the message is loud and clear: due diligence-don't take money without it."

The Financial Crimes Enforcement Network (FinCEN) has also assessed a \$25 million civil money penalty against the company for violations of the Bank Secrecy Act, and the Board of Governors of the Federal Reserve has assessed a \$20 million civil money penalty. The \$20 million Federal Reserve penalty and \$15 million of FinCEN's \$25 million penalty will be deemed satisfied by the payment of the \$55 million forfeiture, resulting in total payments of \$65 million by American Express Bank International under these settlements.

Under the Bank Secrecy Act, banks are required to establish and maintain an anti-money laundering compliance program that, at a minimum, provides for: (a) internal policies, procedures and controls designed to guard against money laundering; (b) the coordination and monitoring of day-to-day compliance with the Bank Secrecy Act; (c) an ongoing employee training program; and (d) independent testing for compliance conducted by bank personnel or an outside party. Banks are also required to have comprehensive anti-money laundering programs that enable them to identify and report suspicious financial transactions to the U.S. Treasury Department's Financial Crimes Enforcement Network.

The case was prosecuted by Trial Attorney John W. Sellers and Thomas Pinder of the Criminal Division's Asset Forfeiture and Money Laundering Section, which is headed by Chief Richard Weber. This case was investigated by the Drug Enforcement Administration's Miami Field Division, Fort Lauderdale District Office.

###

07-584